

**CHAPTER 54: AGGREGATION OF DEMAND RESPONSE
BY THE CITY OF BENSON ON BEHALF OF RETAIL CUSTOMERS**

Section

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§ 54.01 LEGISLATIVE FINDINGS.

(A) Whereas, the Federal Energy Regulatory Commission has issued Order No. 719, 125 FERC ¶ 61,071, 73 Fed. Reg. 64,099 (October 28, 2008).

(B) Whereas pursuant to Order No. 719, 18 C.F.R. § 35.28(g)(1)(iii) provides: “Each Commission-approved independent system operator and regional transmission organization must permit a qualified aggregator of retail customers to bid demand response on behalf of retail customers directly into the Commission-approved independent system operator’s or regional transmission organization’s organized markets, unless the laws and regulations of the relevant electric retail regulatory authority expressly do not permit a retail customer to participate.”

(C) Whereas pursuant to Order No. 719, 18 C.F.R. § 35.28(g)(1)(i)(A) provides: “Every Commission-approved independent system operator or regional transmission organization that operates organized markets based on competitive bidding for energy imbalance, spinning reserves, supplemental reserves, reactive power and voltage control, or regulation and frequency response ancillary services (or its functional equivalent in the Commission-approved independent system operator’s or regional transmission organization’s tariff) must accept bids from demand response resources in these markets for that product on a basis comparable to any other resources, if the demand response resource meets the necessary technical requirements under the tariff, and submits a bid under the Commission-approved independent system operator’s or regional transmission organization’s bidding rules at or below the market-clearing price, unless not permitted by the laws or regulations of the relevant electric retail regulatory authority.”

(D) Whereas, pursuant to City of Benson Charter and Code and Minnesota Statutes, the City Council is authorized to enact ordinances governing the provision of electric power to retail customers served by the City of Benson, hereinafter, “city”.

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(E) Whereas, the City Council has determined that it would be harmful to the demand response to be implemented by the city, and the collective interests of the city, as a load-serving entity with an obligation to serve at retail, and the city's retail customers to permit any entity other than the city itself or its authorized designee to aggregate demand response on behalf of its retail customers.

(F) Whereas the City Council, as the electric retail regulatory authority for the city, has determined it to be desirable that the aggregation of demand response on behalf of retail customers served by the city to be bid directly into the organized electric and ancillary services markets administered by the regional transmission organization that includes the city (or any successor independent system operator or regional transmission organization to which the city is a member) be performed by the city or its authorized designee, the following amendments to the code of the city are hereby adopted.

(Ord. 1129.09, passed 5-4-09)

§ 54.02 AGGREGATION OF RETAIL CUSTOMER DEMAND RESPONSE.

(A) The city or its authorized designee is the sole entity permitted to bid demand response on behalf of retail customers served by the city directly into any Commission-approved independent system operator's or regional transmission organization's organized electric markets.

(B) Retail customers served by the city wishing to bid their demand response into a Commission-approved independent system operator's or regional transmission organization's organized electric markets may do so by participating in the program established by the city or its authorized designee. Retail customers are not permitted to participate in the demand response program of any other entity without the express prior authorization of the city.

(Ord. 1129.09, passed 5-4-09)

§ 54.03 ANCILLARY SERVICES PROVIDED BY DEMAND RESPONSE RESOURCES.

(A) The city or its authorized designee is the sole entity permitted to bid demand response on behalf of retail customers served by the city directly into any Commission-approved independent system operator's or regional transmission organization's organized markets for energy imbalance, spinning reserves, supplemental reserves, reactive power and voltage control, or regulation and frequency response ancillary services (or its functional equivalent in the Commission-approved independent system operator's or regional transmission organization's tariff).

(B) Retail customers served by the city wishing to bid their demand response into a Commission-approved independent system operator's or regional transmission organization's

organized markets for energy imbalance, spinning reserves, supplemental reserves, reactive power and voltage control, or regulation and frequency response ancillary services (or its functional equivalent in the Commission-approved independent system operator's or regional transmission organization's tariff) may do so by participating in the program established by the city or its authorized designee. Retail customers are not permitted to participate in the demand response program of any other entity without the express prior authorization of the city.
(Ord. 1129.09, passed 5-4-09)